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SUPERIOR COURT OF NEW JERSEY

JUL 10 2012

PASSAIC COUNTY

By: Isabella T. Stempler  
Deputy Attorney General  
[REDACTED] [REDACTED]

SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION  
PASSAIC COUNTY  
DOCKET NO. C- 56-12

JEFFREY S. CHIESA,  
Attorney General of the State of New Jersey on  
behalf of his office and  
ABBE R. TIGER,  
Chief of the New Jersey Bureau of Securities,

Plaintiffs,

v.

BRANDED MARKETING, LLC,  
a New Jersey limited liability company and d/b/a  
1800Tarjetas.com;  
BRANDED MARKETING, INC.,  
a Delaware corporation;  
RICHARD JACKOWITZ,  
individually and as President and Chief  
Executive Officer of Branded Marketing, LLC;  
ANTHONY UVA,  
individually and as Chief Marketing Officer of  
Branded Marketing, LLC;  
PATRICK GAINEY,  
individually and as Manager of Investor  
Relations of Branded Marketing, LLC,

Defendants,

and

IT CONNECT, INC.,  
a Delaware corporation,

Nominal Defendant.

Civil Action

COMPLAINT

Plaintiffs, Jeffrey S. Chiesa, Attorney General of New Jersey, on behalf of his office and Abbe R. Tiger, Chief of the New Jersey Bureau of Securities, (“Plaintiffs”) allege the following upon information and belief by way of Complaint against the above-named defendants:

### **SUMMARY**

1. From 2007 through at least 2010, defendants fraudulently sold over \$3 million of unregistered securities to over fifty investors. Most investors were employees of medical practice groups who were told by defendants that their funds would finance the launch of a pre-paid debit card product that included an international calling feature aimed at Hispanic consumers.
2. As alleged below, rather than using investors’ funds to further a legitimate business endeavor, approximately \$1.4 million was either diverted to a separate business owned and controlled by Richard Jackowitz or used by him and others for personal expenses, including, but not limited to, home improvements, luxury goods, and lavish travel accommodations. The misuse of investors’ funds was not disclosed to investors.

### **JURISDICTION AND VENUE**

3. The New Jersey Bureau of Securities (the “Bureau”) is a state regulatory agency charged with the administration and enforcement of the New Jersey Uniform Securities Law (1997) N.J.S.A. 49:3-47 et seq. (“Securities Law”).
4. Jurisdiction is proper over defendants because each alleged violation of the Securities Law occurred in connection with: (i) the offer or sale of a security that originated from New Jersey; or (ii) an offer to sell, a sale, or the acceptance of an offer to sell a security that occurred in New Jersey, as contemplated under N.J.S.A. 49:3-51.
5. Venue is proper pursuant to R. 4:3-2(a) because it lies where the cause of action arose.

## PARTIES

6. Plaintiff, Abbe R. Tiger, Chief of the New Jersey Bureau of Securities, (the “Bureau Chief”) has offices at 153 Halsey Street, 6th Floor, Newark, New Jersey 07102. The Bureau Chief brings this action for violations of the Securities Law, including:
  - a. N.J.S.A. 49:3-52(b)(making materially false and misleading statements or omitting facts necessary to make the statements made not misleading);
  - b. N.J.S.A. 49:3-52(c) (engaging in any act or practice, or course of business which would operate as a fraud or deceit upon any person in connection with the offer, sale or purchase of securities);
  - c. N.J.S.A. 49:3-56(a) (acting as unregistered agents);
  - d. N.J.S.A. 49:3-56(h) (employing unregistered agents); and
  - e. N.J.S.A. 49:3-60 (selling unregistered securities).
7. Plaintiff, Jeffrey S. Chiesa, Attorney General of New Jersey, with offices at 124 Halsey Street, Newark, New Jersey 07101, commenced this action on behalf of the Bureau Chief under N.J.S.A. 49:3-69(a)(2), and under his office’s common law powers.
8. **Defendant Branded Marketing, LLC**, (“BMLLC”) was a New Jersey limited liability company, formed on or about March 7, 2007 and principally located at 1069 Ringwood Avenue, Haskell, New Jersey. According to New Jersey’s Secretary of State, in 2010, BMLLC’s limited liability status was revoked for failing to file annual reports for two consecutive years.
9. BMLLC started operating on or about May 1, 2007, and was purportedly engaged in, among other things, the distribution and commerce of prepaid debit cards.
10. **Defendant Branded Marketing Inc.**, (“BMI”) is a Delaware corporation formed on or

about January 6, 2010. BMI is a mere continuation of BMLLC and consequently its successor because: (i) it engaged in the same business as BMLLC; (ii) had the same management as BMLLC; and (iii) operated out of the same location as BMLLC.

11. **Defendant Richard Jackowitz**, (“Jackowitz”) currently a Warwick, New York resident and former New Jersey resident, was the co-founder, President, and Chief Executive Officer of BMLLC. Upon information and belief, Jackowitz also created and controlled BMI and IT Connect, Inc., as detailed below.
12. Jackowitz was not registered with the Bureau as an agent of BMLLC or BMI or in any other capacity. Nor was he exempt from registration.
13. **Defendant Anthony Uva**, (“Uva”) a New Jersey resident, was the Chief Marketing Officer of BMLLC.
14. Uva was not registered with the Bureau as an agent of BMLLC or BMI in any other capacity. Nor was he exempt from registration.
15. **Defendant Patrick Gainey**, (“Gainey”) a New Jersey resident, solicited, offered and sold securities to investors and was the Manager of Investor Relations.
16. Gainey was not registered with the Bureau as an agent of BMLLC or in any other capacity. Nor was he exempt from registration.
17. **Nominal Defendant IT Connect, Inc.**, (“IT Connect”) is a Delaware corporation, formed on or about June 13, 2006, with a principal place of business at 1069 Ringwood Avenue, Haskell, New Jersey, the same address as BMLLC and BMI. Upon information and belief, Jackowitz is the founder and Chief Executive Officer of IT Connect.
18. Upon information and belief, IT Connect purportedly offers vanity toll-free numbers and matching web-site domains, among other things. IT Connect is named as a nominal

defendant because it has been unjustly enriched by its receipt of assets that are the subject matter of this litigation.

### FACTS

19. At various times from at least 2007 to 2010, Jackowitz, Uva, Gainey, and others offered and sold three different forms of securities issued by either BMLLC or BMI, as alleged with specificity below.
20. Starting in 2007, Jackowitz, Uva, and Gainey sold limited liability interests issued by BMLLC (the "BMLLC Interests") using oral representations and written materials that touted BMLLC's business plan.
21. Starting in or about September 2008, BMLLC, primarily through Jackowitz, sold promissory notes (the "BMLLC Notes") to existing investors who had purchased a BMLLC Interest by, among other things, representing that BMLLC needed additional funds for operations.
22. Starting in or around January 2010, Jackowitz and UVA offered and sold stock purportedly issued by a new entity, BMI ("BMI Stock").
23. Throughout the period relevant to this complaint, 2007 through 2010, Defendants misrepresented and failed to disclose how investors' funds had been and would be used. For example, investors were unaware that Jackowitz misappropriated investors' funds to IT Connect and diverted funds for his personal use.
24. In total, Defendants fraudulently obtained over \$3 million from the sale of BMLLC Interests, BMLLC Notes, and BMI Stock to over fifty investors ("BM Investors").
25. Approximately forty-six of the BM Investors resided in New Jersey. Other BM Investors resided in Pennsylvania, California, Illinois and Florida.

26. Neither the BMLLC Interests, BMLLC Notes, nor BMI Stock were registered with the Bureau, federally covered, or exempt from registration.

**I. DEFENDANTS' OFFER AND SALE OF BMLLC INTERESTS**

27. In connection with the offer and sale of the BMLLC Interests, Jackowitz, Uva, and Gainey made oral representations and provided written materials to investors.

28. Upon information and belief, Jackowitz provided Gainey with material information and written materials, which Gainey then communicated or provided to investors in connection with the offer and sale of the BMLLC Interests.

29. A majority of investors that purchased the BMLLC Interests from Gainey were doctors or employees of medical practice groups. Some investors purchased the BMLLC Interests because they had a friendship with and trusted Gainey.

30. During conversations about BMLLC Interests with potential investors, Jackowitz and Gainey described BMLLC as a company that promised large returns by marketing and selling pre-paid debit cards to "Hispanic consumers" who lacked access to credit cards.

31. Jackowitz and Gainey represented to investors that the funds obtained by BMLLC from the sale of BMLLC Interests would be used to finance BMLLC's "Business Plan," which, as alleged below, was a document provided to some investors.

32. This representation was false because at least \$1.4 million of BMLLC's and investors' funds were either diverted to IT Connect, a separate business owned and controlled by Richard Jackowitz, or used by him and others for personal use.

**A. The BMLLC Business Plan and Subscription Agreement**

33. Most potential investors who expressed an interest in BMLLC received a written Business Plan and Subscription Agreement.

34. The Business Plan represented to investors that BMLLC was launching a pre-paid debit card program aimed at "the Latino, new arrival and underserved/unbanked communities of the United States."
35. The Business Plan further represented that BMLLC offered consumers a variety of debit cards as alternatives to check cashing and retail money transfers, and an ability to re-load their card "at over 75,000 established re-load networks."
36. The Business Plan also included financial projections and a fee schedule for each debit card BMLLC purportedly offered.
37. After receipt of an investor's funds, Jackowitz usually signed a "Subscription Agreement" that transferred BMLLC Interests to the investor.

**B. BMLLC's 2008 Financial Statement**

38. On April 23, 2009, Uva sent investors an e-mail with BMLLC's 2008 financials and five-year projections ("2008 Financial Statement").
39. The 2008 Financial Statement included "Cash Flow" statements, a "General Balance Sheet," and various explanatory comments, which contained material false and/or materially misleading information.
40. For example, the 2008 Financial Statement represented that BMLLC's "Other Current Assets" included loans to and receivables from IT Connect, Jackowitz, Uva, and others in the aggregate amounts of \$93,900 and \$140,430, for 2007 and 2008, respectively.
41. However, IT Connect received at least \$538,000 of BMLLC's and investors' funds through numerous undisclosed transactions. IT Connect received approximately: (i) \$262,000 in 2007; (ii) \$219,000 in 2008; and (iii) \$45,000 in 2009.
42. In addition, the 2008 Financial Statement stated that the total amount of payroll and

wages paid by BMLLC during 2007 was just \$97,962.

43. As alleged in detail below, from 2007 through 2009, Jackowitz received at least \$605,000 of BMLLC's and investors' funds through numerous undisclosed transactions. Jackowitz received approximately: (i) \$118,000 in 2007; (ii) \$350,000 in 2008; and (iii) \$135,000 in 2009.

## **II. DEFENDANTS' OFFER AND SALE OF BMLLC NOTES**

44. At various times from September 2008 through 2009, Jackowitz sent e-mails and other communications offering BMLLC Notes to the investors who had already purchased BMLLC Interests.
45. In connection with the sale of BMLLC Notes, Jackowitz told investors through e-mails that their funds would be used for BMLLC's general operations or for a specific business purpose.
46. For example, on September 7, 2008, Jackowitz told investors in an e-mail that BMLLC needed additional funding for operations.
47. In the e-mail dated September 7, 2008, Jackowitz asked investors for an additional investment equal to 15% of their original investment, which he promised would be repaid with interest at a rate of 15% per year.
48. As another example, on December 23, 2008, Jackowitz solicited existing investors for additional funds, which he claimed were needed to pay for BMLLC's marketing efforts.
49. Through e-mails and communications, including those alleged above, BMLLC, through Jackowitz, raised at least \$319,000.
50. Upon information and belief, most of the \$319,000 was raised from the sale of twenty-eight BMLLC Notes that promised to pay investors interest at a rate of 15% per year.



### **III. DEFENDANTS' OFFER AND SALE OF BMI STOCK**

51. On January 4, 2010, Jackowitz sent investors who had purchased BMLLC Interests or BMLLC Notes an e-mail stating, among other things, that BMLLC was burdened with significant liabilities and, as a consequence, he was proposing a recapitalization plan.
52. Jackowitz stated that he was forming BMI as a new, separate entity to which he would transfer all of BMLLC's assets and some of its liabilities. Jackowitz also represented that BMLLC would wind down its operations and dissolve.
53. As part of the purported recapitalization plan, IT Connect would contribute all of its assets or stock to BMI in exchange for a "Senior Secured Promissory Note" in the amount of \$6,300,000.
54. In his January 2010 e-mail, Jackowitz offered, among other things, any investor who invested \$30,000 a 2% common stock ownership interest in BMI and a guarantee that any of their pre-existing BMLLC Notes would be repaid by February 15, 2010, without interest.
55. From January 2010 to August 2010, Jackowitz and Uva sold purported BMI Stock to at least thirteen investors and raised at least \$165,000.

### **IV. DEFENDANTS' MATERIAL MISREPRESENTATIONS AND OMISSIONS**

56. BM Investors were falsely told that their funds would finance the operations of BMLLC and, later, BMI. As alleged below, rather than using investors' funds as represented, Defendants misappropriated investors' funds to IT Connect and diverted funds to Jackowitz for personal use.
57. Approximately \$1.4 million of BM Investors' and BMLLC's funds were misused.
58. As alleged below, Defendants made additional misrepresentations and omissions to the BM Investors that purchased BMI Stock.

**A. Misappropriations to IT Connect**

59. Defendants falsely represented by e-mail to BM Investors that IT Connect was an unrelated entity that owed BMLLC an insignificant sum of money.
60. In the Business Plan's description of Jackowitz's past business experience, Defendants stated that IT Connect was "a leader in the toll free vanity business."
61. BMLLC and Jackowitz failed to disclose to investors that he controlled IT Connect, which was operated as an affiliate of BMLLC.
62. In BMLLC's 2008 Financials, the only disclosure made to investors regarding IT Connect was that it owed BMLLC \$54,430 as of December 31, 2008.
63. However, Defendants failed to disclose to BM Investors that Jackowitz caused BMLLC to engage in numerous transactions for IT Connect's benefit.
64. For example, omitted material information to BM Investors included, but was not limited to, the following:
  - a. From 2007 through 2009, BMLLC transferred approximately \$316,000 to several bank accounts of IT Connect;
  - b. BMLLC and IT Connect operated out of the same location in Haskell, New Jersey, and from 2007 through November 2010, BMLLC paid almost \$73,380 of the \$82,674 in rent payments for the location;
  - c. BMLLC's and investors' funds were used to directly pay over \$32,000 of IT Connect's business expenses; and
  - d. BM Investors' funds were also used to pay IT Connect's American Express credit cards in the approximate amount of \$190,000.
65. In total, Jackowitz misappropriated at least \$538,000 of BM Investors' funds and

BMLLC's funds for the benefit of IT Connect.

**B. Jackowitz's Misuse of Funds for His Personal Benefit**

66. Neither the Business Plan nor Subscription Agreement disclosed the amount of Jackowitz's compensation from BMLLC.
67. In the 2008 Financial Statement, investors were told that Jackowitz's "guaranteed pay" was \$128,059 and zero, for 2007 and 2008, respectively.
68. In truth, from 2007 to 2010, Jackowitz received at least \$605,000 of BMLLC's and BM Investors' funds through numerous undisclosed transactions.
69. For example, Jackowitz spent at least \$100,000 from BMLLC's bank account on personal expenses, such as:
  - a. dinners and other meals at restaurants;
  - b. home improvements, such as a theater system and, upon information and belief, pool maintenance;
  - c. purchases at Kawasaki Yamaha Sport, a store that sells all-terrain vehicles, among other things;
  - d. non-business travel (airlines, accommodations, car rental and leisure sports);
  - e. casinos;
  - f. luxury goods from Chanel;
  - g. spa services; and
  - h. a twenty-eight foot boat.
70. Jackowitz withdrew at least \$91,000 in cash from BMLLC's bank account.
71. Jackowitz transferred approximately \$150,000 from BMLLC's bank account to his personal account.

72. At least \$10,100 in checks were drawn from the BMLLC bank account payable to "cash" and endorsed by Jackowitz.
73. Jackowitz also cashed approximately \$254,500 of BM Investors' checks at check cashing establishments.

**1. Other Misuse of Investors' Funds**

74. In addition to the foregoing, Jackowitz and others also diverted funds for other personal or otherwise improper uses that were not disclosed to investors.
75. BMLLC's bank account records show over \$240,000 in ATM cash withdrawals.
76. BMLLC's bank account shows a payment to Verizon in the amount of \$35,100 on behalf of "2 to Inc.," upon information and belief 2 to Inc. is a company unrelated to BMLLC or BMI and is owned by Jackowitz.
77. BMLLC's American Express account which was paid from BMLLC's bank account had approximately \$35,000 of personal expenditures such as:
- a. dinners and other meals at restaurants;
  - b. purchases at department stores;
  - c. purchases at electronics stores;
  - d. payment for medical services;
  - e. pool maintenance services;
  - f. hotels; and
  - g. spa services.

**C. Material Misrepresentations and Omissions to Investors In Connection with the Sale of BMI Stock**

78. In connection with the sale of BMI Stock, Defendants failed to disclose the past and ongoing misuse of BMLLC's and BM Investors' funds, as alleged above.

79. Jackowitz falsely told investors that they were investing in a new entity, BMI, that would engage in the same business as BMLLC, and that their funds would be used to operate BMI.
80. In truth, Jackowitz never created a bank account for BMI.
81. Rather than using investors' funds for BMI's operations, they were deposited into one of IT Connect's bank accounts or cashed at a check cashing establishment, incurring significant fees.
82. Then, Jackowitz and others used BMI Stock investors' funds for, among other things:
  - a. payments to Debra Jackowitz, Jackowitz' wife;
  - b. payments for car repairs; and
  - c. a cash withdrawal.
83. BMI never provided investors with BMI Stock, as promised.

#### COUNT I

**MAKING MATERIALLY FALSE AND MISLEADING STATEMENTS**  
**AND/OR OMITTING MATERIAL FACTS**  
**IN VIOLATION OF N.J.S.A. 49:3-52(b)**  
**(As to defendants BMLLC, Jackowitz, Gainey and Uva)**

84. Plaintiffs repeat the allegations in the preceding paragraphs as if fully set forth herein.
85. Defendants individually and/or through their officers, directors, employees, agents, attorneys, successors, subsidiaries directly and/or indirectly, made materially false and misleading statements and/or omitted material facts to investors in connection with the offer and sale of securities.
86. Among the omitted material facts not disclosed to BM Investors by BMLLC, Jackowitz, Gainey and Uva were that:

- a. Jackowitz misused BMLLC's funds to pay for items unrelated to BMLLC;
- b. The BMLLC Interests and BMLLC Notes were not registered and were not exempt from state or federal registration;
- c. Jackowitz, Gainey, and Uva were not registered to sell securities with the Bureau;
- d. BM Investors' funds were transferred to IT Connect, an entity controlled and operated by Jackowitz;
- e. BM Investors' funds were used to pay IT Connect business expenses;
- f. BM Investors' funds were used to pay at least one business expense of 2 to Inc., an entity believed to be controlled and operated by Jackowitz;
- g. Jackowitz used BMLLC funds for his personal benefit as set forth above in paragraphs sixty-six through seventy-seven; and
- h. Jackowitz transferred investors' funds to his personal bank account.

87. Among other material misrepresentations stated to BM Investors by BMLLC, Jackowitz, Gainey and Uva were that:

- a. BM Investors' funds would be used solely to finance BMLLC's operations;
- b. loans to IT Connect, Jackowitz, Uva, and others in the approximate amount of \$140,430 were assets of BMLLC;
- c. employees and consulting wages totaled \$1,009,021 in 2008; and
- d. Jackowitz was not guaranteed pay in 2008, and Jackowitz was not paid in 2008.

88. Each misrepresentation and omission to BM Investors was in violation of N.J.S.A. 49:3-52(b).

89. Each violation of N.J.S.A. 49:3-52(b) by defendants is a separate violation of the statute and is cause for the imposition of a civil monetary penalty for each separate violation

pursuant to N.J.S.A. 49:3-70.1.

COUNT II

**ENGAGING IN ANY ACT OR PRACTICE WHICH WOULD OPERATE  
AS A FRAUD OR DECEIT UPON ANY PERSON IN CONNECTION  
WITH THE OFFER, SALE OR PURCHASE OF SECURITIES  
IN VIOLATION OF N.J.S.A. 49:3-52(c)**  
(As to defendants BMLLC, BMI, Jackowitz and Gainey)

90. Plaintiffs repeat the allegations in the preceding paragraphs as if fully set forth herein.
91. Defendants BMLLC, BMI, Jackowitz, and Gainey engaged in an act, practice and course of business that operated as a fraud and/or deceit upon the BM Investors and others, in violation of N.J.S.A. 49:3-52(c) by, among other things:
  - a. Jackowitz controlling BMLLC and BMI in a manner that allowed Jackowitz to use BM Investors' funds to enrich IT Connect, himself and others while he continued to sell unregistered BMLLC Interests, BMLLC Notes, and purported BMI stock; and
  - b. disregarding the corporate structures of BMLLC, IT Connect and BMI by misusing BM Investors' funds for Jackowitz's personal benefit, misusing BM Investors' funds to pay IT Connect expenses, and transferring BM Investors' funds to IT Connect, among others.
92. Each violation of N.J.S.A. 49:3-52(c) by defendants Jackowitz, BMLLC and BMI upon each investor is a separate violation and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

### COUNT III

**EMPLOYING UNREGISTERED AGENTS**  
**IN VIOLATION OF N.J.S.A. 49:3-56(h)**  
**(As to defendants BMLLC and BMI)**

93. Plaintiffs repeat the allegations in the preceding paragraphs as if fully set forth herein.
94. Defendant BMLLC and its successor BMI employed agents in effecting or attempting to effect transactions in securities from and in New Jersey.
95. Defendants Jackowitz and Gainey, acted as agents for BMLLC as defined in Section 49:3-49(b) of the Securities Law, without being registered with the Bureau.
96. Defendant BMLLC and BMI employed agents who were not registered with the Bureau to sell BMLLC Interest, BMLLC Notes and BMI stock in violation of N.J.S.A. 49:3-56(h).
97. Each violation of N.J.S.A. 49:3-56(h) is a separate violation and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

### COUNT IV

**ACTING AS AN AGENT WITHOUT REGISTRATION**  
**IN VIOLATION OF N.J.S.A. 49:3-56(a)**  
**(As to defendants Jackowitz, Uva, and Gainey)**

98. Plaintiffs repeat the allegations in the preceding paragraphs as if fully set forth herein.
99. Defendants Jackowitz and Gainey represented BMLLC in effecting or attempting to effect transactions in securities from or in New Jersey and, thus, acted as agents, as defined in section 49:3-49(b) of the Securities Law, without being registered with the Bureau to sell the BMLLC Interests or BMLLC Notes.



100. Defendants Jackowitz and Uva represented BMI in effecting or attempting to effect transactions in securities from or in New Jersey and, thus, acted as an agent, as defined in section 49:3-49(b) of the Securities Law, without being registered with the Bureau to sell the BMI stock.
101. Defendants Jackowitz, Uva and Gainey violated N.J.S.A. 49:3-56(a) which provides that, among other things, only persons registered with the Bureau may lawfully act as agents.
102. Each sale to investors constitutes a separate violation of N.J.S.A. 49:3-56(a) and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

#### COUNT V

**SELLING UNREGISTERED SECURITIES**  
**IN VIOLATION OF N.J.S.A. 49:3-60**  
**(As to defendants Jackowitz, Gainey, Uva, BMLLC and BMI)**

103. Plaintiffs repeat the allegations in the preceding paragraphs as if more fully set forth herein.
104. Defendants Jackowitz, Gainey and BMLLC offered and sold securities in the form of limited liability interests and promissory notes that were not registered with the Bureau.
105. Defendants Jackowitz, Uva and BMI offered and sold securities in the form of stock that was not registered with the Bureau.
106. The securities were required to be registered with the Bureau pursuant to N.J.S.A. 49:3-60.
107. Each offer and sale of unregistered securities constitutes a separate violation of N.J.S.A. 49:3-60 and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1.

**COUNT VI**

**UNJUST ENRICHMENT**  
**(As to defendant IT Connect)**

108. Plaintiffs repeat the allegations set forth in the preceding paragraphs as if fully set forth herein.
109. Defendant IT Connect was unjustly enriched by BMLLC: (a) paying for its expenses; (b) transferring and depositing investors' funds into the accounts of IT Connect; and (c) permitting IT Connect's rent-free use of the BMLLC office.
110. Defendant IT Connect had no right to BMLLC funds.
111. As such, defendant IT Connect was unjustly enriched at the expense of investors.
112. Each unauthorized transfer of BMLLC funds is cause for a judgment requiring disgorgement of the funds.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs respectfully request the entry of a judgment pursuant to N.J.S.A. 49:3-47 et seq.:


- A. Finding that defendants engaged in the acts and practices alleged above;
- B. Finding that such acts and practices constitute violations of the Securities Law;
- C. Enjoining defendants from violating the Securities Law in any manner;
- D. Enjoining defendants from engaging in the securities business in New Jersey in any capacity including, but not limited to, acting as a broker-dealer, investment adviser, investment adviser representative, agent or otherwise;
- E. Enjoining the issuance, sale, offer for sale, purchase, offer to purchase, promotion, negotiation, solicitation, advertisement or distribution from or within New Jersey of any securities to or from New Jersey, by or on behalf of

defendants, their officers, directors, employees, agents, brokers, partners, stockholders, attorneys, successors, subsidiaries and affiliates;

- F. Affording each purchaser of securities issued by or on behalf of defendants, the option of rescinding such purchase and obtaining a refund of monies paid, plus interest and expenses incident to effecting the purchase and rescission;
- G. Affording each purchaser of securities issued by or on behalf of defendants, the option of receiving restitution of losses incurred on disposition of the securities, plus interest and expenses incident to effecting the purchase and restitution;
- H. Assessing civil monetary penalties against defendants, for each violation of the Securities Law in accordance with N.J.S.A. 49:3-70.1;
- I. Requiring defendants to pay restitution and disgorge all profits and/or funds gained through violations of the Securities Law; and
- J. Affording Plaintiffs and affected third parties any additional relief the court may deem just and equitable.

JEFFREY S. CHIESA  
ATTORNEY GENERAL OF NEW JERSEY

By:

  
Isabella T. Stempler  
Deputy Attorney General

Dated: 7/9/12

**RULE 4:5-1 CERTIFICATION**

Pursuant to Rule 4:5-1, the undersigned certifies that the matter in controversy may be the subject of the following action other than this one:

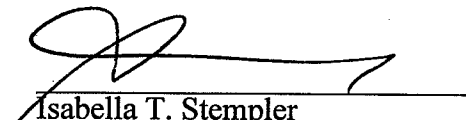
Altobelli v. IT Connect, Inc. et al., Docket No. L-002076-12, New Jersey Superior Court, Middlesex County.

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

I certify that the foregoing statements made by me are true. I am aware that if any of those statements are willfully false, I am subject to punishment.

JEFFREY S. CHIESA  
ATTORNEY GENERAL OF NEW JERSEY

By:

  
Isabella T. Stempler  
Deputy Attorney General

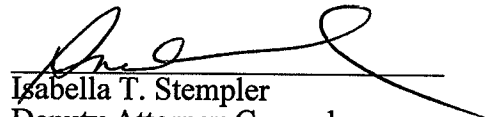
Dated: 7/9/12

**DESIGNATION OF TRIAL COUNSEL**

Deputy Attorney General Isabella T. Stempler is hereby designated as trial counsel for this matter.

JEFFREY S. CHIESA  
ATTORNEY GENERAL OF NEW JERSEY

By:

  
Isabella T. Stempler  
Deputy Attorney General

Dated: 7/9/12